

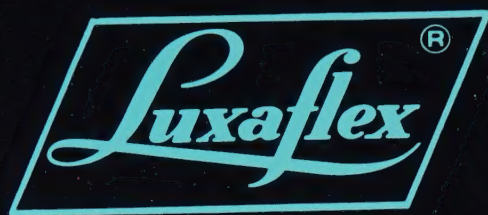
AR28

# 1976 annual report

 **Hunter Douglas Group**



## Consumer products



Flexalum<sup>®</sup>



CROWN<sup>®</sup>

## Building and Architectural products

**LUXALON<sup>®</sup>**

**Luxaply<sup>®</sup>**



**Luxaclad<sup>®</sup>**

**Nedal<sup>®</sup>**

**RODIAC<sup>®</sup>**

**PERMALUM<sup>®</sup>**

## Precision machinery



**wewag<sup>®</sup>**



**SOAG<sup>®</sup>**

## TEN YEAR SUMMARY

U.S. dollars	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
(millions, except for per share data)										
Net sales	356.0	339.8	348.3	294.5	223.5	179.5	129.8	107.7	87.3	68.9
Income from operations	31.2	24.0	25.9	23.3	18.7	16.6	13.7	11.7	10.3	7.1
Net income	15.4	4.4	9.8	11.6	8.7	7.3	6.3	6.0	5.1	3.4
Net income per common/deferred share * (after preferred dividends)	2.18	.62	1.39	1.65	1.24	1.03	.90	.88	.78	.52
Cash flow	25.8	16.7	19.8	20.2	16.2	13.7	12.3	10.5	9.1	6.5
Cash flow per common/deferred share *	3.64	2.36	2.80	2.86	2.31	1.95	1.75	1.56	1.41	1.00
Working capital ratio	2.09	1.95	1.79	1.55	1.73	1.53	1.59	1.75	1.63	1.97
Shareholders' equity □	105.8	87.8	83.4	74.4	67.9	59.0	51.7	46.3	33.5	29.3
Shareholders' equity □ per common/deferred share	14.94	13.03	12.97	11.93	11.09	9.89	8.95	7.86	6.19	5.23
Expenditures on property, plant and equipment	11.7	8.3	16.9	25.1	10.4	9.9	9.2	6.2	5.3	3.4
Depreciation and amortization	7.8	8.5	8.7	7.0	6.0	4.9	4.1	3.0	2.6	2.3
Average number of common and deferred shares outstanding during year (in thousands) *	7,075	7,070	7,061	7,054	7,039	7,017	7,013	6,753	6,480	6,474

\* adjusted for splits and stock dividends

□ after charging the book value of intangible assets starting 1973 and crediting unrealized exchange gains starting 1975

Dutch guilders	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967
(millions, except for per share data)										

The Dutch guilder amounts are shown for information purposes only.

The Group's business is transacted predominantly in other currencies than U.S. dollars. For income reporting purposes these other currencies are translated into U.S. dollars at the average rates of exchange during each year. The financial information below has been obtained by translation of the U.S. dollar totals into Dutch guilders at the same average rates as used in the compilation of the U.S. dollar income statement.

Net sales	935.6	860.2	928.4	814.8	717.1	624.2	469.2	390.6	315.9	248.2
Income from operations	82.2	60.9	69.1	64.4	59.9	57.8	49.7	42.3	37.4	25.4
Net income	40.5	11.1	26.1	32.1	28.0	25.2	22.9	21.7	18.5	12.3
Net income per common/deferred share * (after preferred dividends)	5.73	1.56	3.69	4.55	3.98	3.60	3.26	3.17	2.84	1.86
Cash flow	67.7	42.2	52.7	55.8	52.1	47.5	44.3	37.0	32.1	22.5
Cash flow per common/deferred share *	9.57	5.97	7.46	7.91	7.40	6.77	6.32	5.47	4.95	3.48

\* adjusted for splits and stock dividends.



1976 was a successful year for the Hunter Douglas Group. We did achieve record levels of sales - U.S.\$ 355,972,212 compared to U.S.\$ 339,798,637 in 1975 - net income - U.S. \$ 15,419,869 compared to U.S. \$ 4,365,506 in 1975 - and net earnings per share - U.S. \$ 2.18 compared to U.S. \$ 0.62 in 1975. The Group has thus re-established its historic growth trend.

The profit improvement primarily reflects the successful completion of the Group's restructuring program. As previously explained in the 1975 interim and year-end reports, the non-recurring costs associated with this program substantially reduced 1974 and 1975 results.

The comparison between 1976 and 1975 sales understates the sales increase achieved in our principal operations. Our 1976 sales figures reflect the discontinuation of certain activities in connection with our restructuring program and the exclusion from consolidated sales of the HD-Ekco and Favorit Türenwerke operations, which, under our policy concerning 50/50 joint ventures, are now accounted for on the equity method.

Consistent with prior practice, results are stated in our historic reporting currency, U.S. dollars, and converted from other currencies at the average rates of exchange prevailing during the reporting period (Dutch guilder amounts are given on page 1 for information only).

Consumer, building and architectural products represented 81% of sales, with precision machinery accounting for the balance.

55% of our sales went to Europe, 21% to Australia and New Zealand, 15% to North America, 5% to Asia and Africa and 4% to South America.

The following are highlights on developments since the beginning of 1976:

— The most significant improvements were achieved by our consumer, building and architectural products operations in Europe and Canada, reflecting the success of our restructuring program and increased demand and geographic market expansion. Nevertheless, margins remained under pressure due to difficulty in offsetting cost increases.

— In order to strengthen our raw material base in the Netherlands, we are making investments to expand our aluminum scrap re-cycling facilities.

— Our precision machinery operations had a satisfactory year and maintained a sizeable order backlog despite continued reluctance by industry to commit capital investments. Our new production facilities in Porto Alegre, Brazil, are commencing production in April and finding a ready market.

— In February 1977 the Group acquired Crown Aluminum of Roxboro, North Carolina, U.S.A. Crown is a major manufacturer of aluminum siding and home improvement products, which it markets through ten wholly owned regional distribution centers and a network of independent distributors and mass merchandisers.

For the Group this represents a major step under its policy to expand operations in the United States, using its internationally established product and marketing skills. Crown's fully integrated manufacturing facilities, comprising melting, continuous casting, rolling, painting and fabricating, give Hunter Douglas a manufacturing and metal base to substantially expand its United States business and product range.

In mid-1976 the Group re-entered the United States window covering business by acquiring Flexalum, one of the market leaders. Hunter Douglas had founded this operation in the late 1940's and sold it in 1956 when it decided to concentrate on other markets.

The United States has thus again become one of the Group's major areas of operations.

— In 1976 Hunter Douglas merged its German based Graf-Elsing garage and residential doors operation with a similar German company into Favorit Türenwerke, a 50/50 owned joint venture. Favorit is achieving substantial economies by combining manufacturing, administrative, and distribution activities. In February 1977 Favorit acquired the Stahl Schanz residential steel door frame and -door business, also located in Germany, and added these complementary products to its range. With three plants, each specializing in volume production of complementary product lines, and twelve distribution centers in Germany and others in France, Belgium and the Netherlands, Favorit has become a major factor in its industry.

— Organizational changes were part of our restructuring program and have resulted in the appointment of three regional Vice Presidents responsible for our principal consumer, building and architectural products operations in their respective market areas. This has resulted in a more effective management structure.

— Working capital and debt to equity ratios again improved in spite of continued inflation. This was due to our cautious investment policy and the success of our restructuring program during the year. Our balance sheet would have shown even more improvement, had we not maintained higher than normal raw material inventories as a cushion against price fluctuations. We intend to reduce these as market conditions normalize.

— Income taxes as a percentage of consolidated pre-tax profits dropped significantly. This reflects the improvement or discontinuation of operations whose previous losses could not be offset against taxable profits and the use of prior years' tax loss carryforwards.

Messrs. E.A. Trigg and I. Suchoversky were newly elected to our Board since we issued our last annual report and Mr. W.L. Heyman, who has been a Hunter Douglas Director and Officer for many years, has resigned to accept a position in the United States. We sincerely thank him for his many contributions towards the Group's growth and development.

The Directors have recommended to increase the annual dividend from Dfl. 1.10 to Dfl. 1.20 on each common and deferred share and to give shareholders the option to receive in lieu of cash out of additional paid-in capital one new share for every twenty held. The dividend will be voted on by the June 9, 1977 shareholders' meeting and, if agreed to, will be paid in July 1977.

With its restructuring program successfully completed and more stable economic conditions expected in most of its markets, the Group is confident that its historic performance and growth trends have been re-established and that it is now well positioned to pursue new opportunities and challenges.

To all who work with us and whose efforts have made our progress possible, the Board and I express our sincere thanks.

On behalf of the Board of Directors,



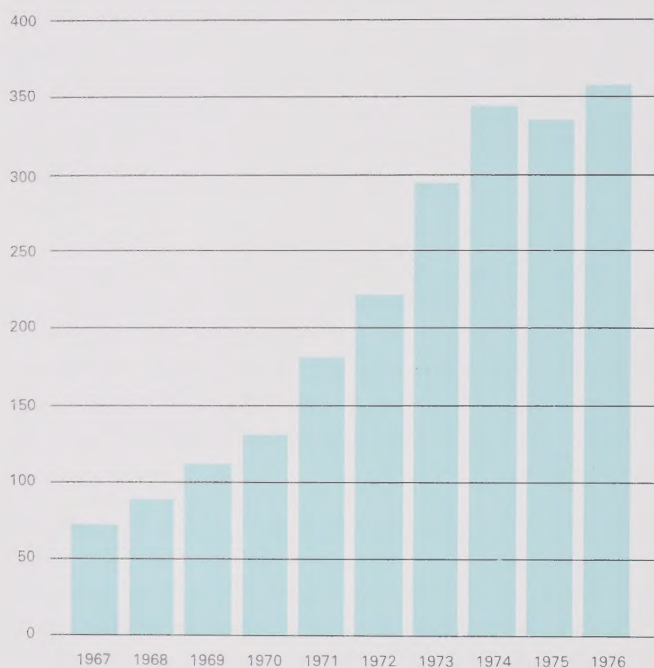
Ralph Sonnenberg  
President

Rotterdam,  
March 31, 1977



### Net sales

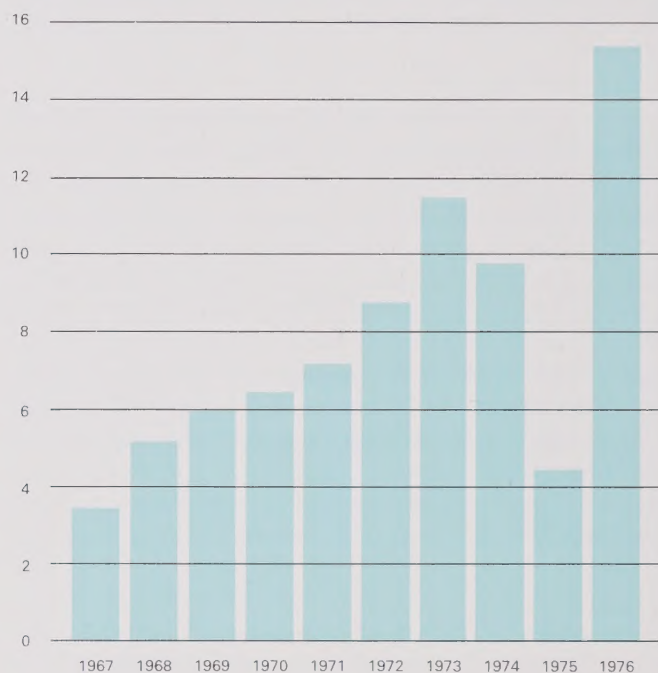
millions U.S. \$



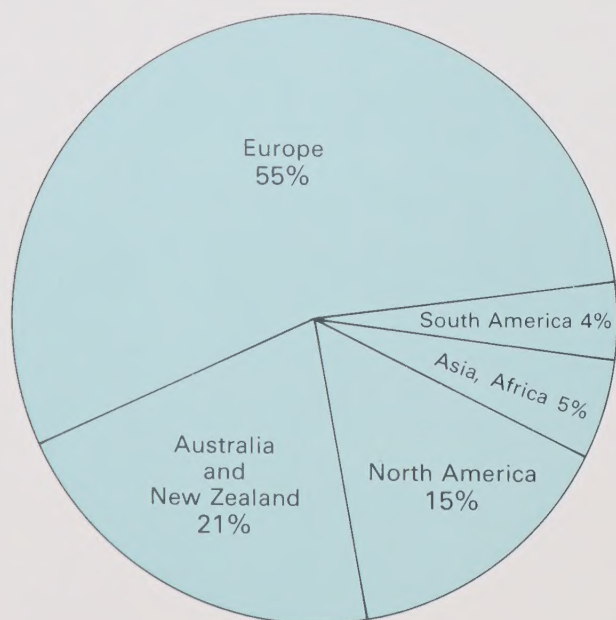
### Net income after tax

millions U.S. \$

(and after minority interest)



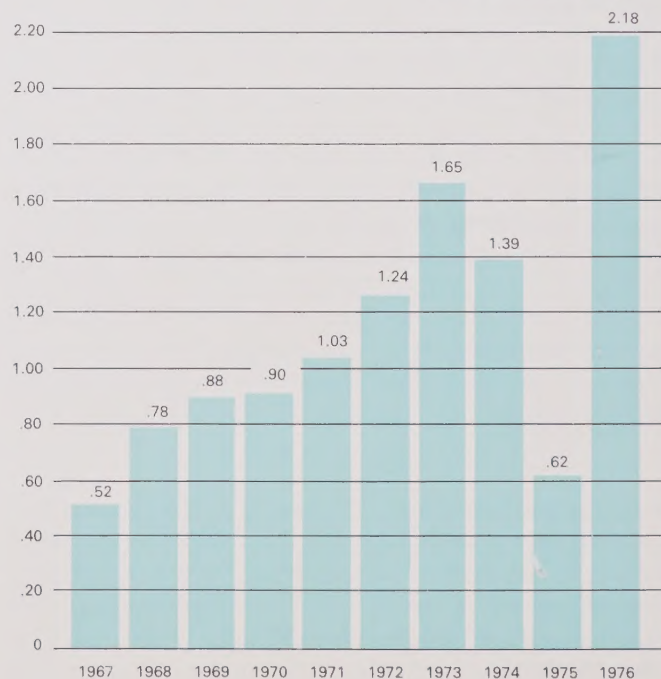
### Geographic distribution of 1976 sales



### Earnings per share

U.S. \$

(after preferred dividends, per average number of shares outstanding during the year, adjusted for splits and stock dividends)



	1976	1975
	\$	\$
<b>Net sales</b>	<b>355,972,212</b>	339,798,637
Cost of sales	<u>247,475,075</u>	236,436,752
<b>Gross profit</b>	<b>108,497,137</b>	103,361,885
Selling, general and administrative expenses	<u>77,229,509</u>	79,312,452
<b>Income from operations</b>	<b>31,267,628</b>	24,049,433
Other expenses (note 11)	<u>8,473,510</u>	13,490,126
<b>Income before income taxes</b>	<b>22,794,118</b>	10,559,307
Income taxes	<u>6,766,251</u>	5,189,230
<b>Income before minority interest</b>	<b>16,027,867</b>	5,370,077
Minority interest	<u>607,998</u>	1,004,571
<b>Net income</b>	<b><u>15,419,869</u></b>	<u>4,365,506</u>
<b>Net income per common and deferred share</b> (based on the average number outstanding during the year, adjusted for stock dividends)	<b><u>\$ 2.18</u></b>	<u>\$ 0.62</u>

**CONSOLIDATED STATEMENT OF RETAINED EARNINGS**  
Year ended January 1, 1977 – U.S. dollars

	1976	1975
	\$	\$
<b>Balance – beginning of year</b>	<b>76,223,500</b>	71,907,151
Net income	<u>15,419,869</u>	4,365,506
	<b>91,643,369</b>	76,272,657
Dividends paid	<u>(101,445)</u>	(205,025)
Other changes (note 10)	<u>2,608,245</u>	155,868
<b>Balance – end of year</b>	<b><u>94,150,169</u></b>	<u>76,223,500</u>

*The appended notes are an integral part of the financial statements.*

**Hunter Douglas n.v.**  
**CONSOLIDATED BALANCE SHEET**  
January 1, 1977 – U.S. dollars

6

Assets	1976	1975
	\$	\$
<b>Current assets</b>		
Cash	4,696,621	9,152,913
Notes and accounts receivable, less allowances \$ 6,856,724 (1975 – \$ 5,576,135)	80,479,915	83,728,607
Inventories (note 2)	126,220,852	102,319,057
Prepaid expenses and other current assets	9,820,176	9,759,119
<b>Total current assets</b>	<b>221,217,564</b>	<b>204,959,696</b>
<b>Property, plant and equipment</b>		
Land	6,870,215	7,075,589
Buildings	40,339,951	40,146,029
Machinery and equipment	70,989,585	69,665,365
Cost	118,199,751	116,886,983
Accumulated depreciation	56,319,081	53,298,961
<b>Property, plant and equipment, net</b>	<b>61,880,670</b>	<b>63,588,022</b>
<b>Investments in and advances to unconsolidated subsidiaries and affiliated companies</b>	<b>13,369,864</b>	<b>9,976,538</b>
<b>Other assets</b>	<b>4,112,427</b>	<b>4,500,790</b>
	<u><b>300,580,525</b></u>	<u><b>283,025,046</b></u>

Signed on behalf of the Board of Directors:

R. Sonnenberg, *Director*

F. B. Craig, *Director*



Liabilities and shareholders' equity	1976	1975
	\$	\$
<b>Current liabilities</b>		
Bank advances	29,423,483	33,726,725
Accounts payable — trade	32,423,106	31,343,373
Accrued wages and other compensation	5,570,277	4,698,316
Other accounts payable and accrued expenses	24,976,272	25,548,697
Income taxes	6,774,788	4,011,703
Long-term debt due within one year	6,470,842	5,623,284
<b>Total current liabilities</b>	<b>105,638,768</b>	104,952,098
<b>Long-term liabilities</b>		
Long-term debt (note 3)	67,320,396	70,748,973
Provisions (note 4)	15,077,179	12,895,438
<b>Total long-term liabilities</b>	<b>82,397,575</b>	83,644,411
<b>Total liabilities</b>	<b>188,036,343</b>	188,596,509
<b>Minority interest</b>	<b>6,791,742</b>	6,658,580
<b>Shareholders' equity</b>		
Capital stock (notes 5 and 6)	2,385,005	2,255,490
Additional paid-in capital (note 7)	9,217,266	9,290,967
Retained earnings	94,150,169	76,223,500
<b>Total shareholders' equity</b>	<b>105,752,440</b>	87,769,957
	<b>112,544,182</b>	94,428,537
	<b>300,580,525</b>	283,025,046

The appended notes are an integral part of the financial statements

**CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION**

Year ended January 1, 1977 – U.S. dollars

	1976	1975
	\$	\$
<b>Source of funds</b>		
From operations		
Net income	15,419,869	4,365,506
Depreciation	7,816,826	8,491,649
Provisions, net	2,181,741	3,090,860
Income applicable to minority interest, net of dividends paid \$ 262,999 (1975 – \$ 285,352)	344,999	719,219
Total working capital provided by operations	25,763,435	16,667,234
Sale of shares under stock option plans	55,814	77,098
Increase (decrease) in unrealized exchange	2,556,327	(5,648,571)
	<u>28,375,576</u>	<u>11,095,761</u>
<b>Use of funds</b>		
Additions to property, plant and equipment, net of retirements \$ 5,632,586 (1975 – \$ 4,208,025)	6,042,566	4,141,478
Property, plant and equipment of consolidated subsidiaries acquired	66,908	—
Decrease in minority interest	211,837	829,184
Increase in investments and other assets, net	2,953,045	1,147,874
Decrease (increase) in long-term debt, net	3,428,577	(4,113,472)
Dividends paid	101,445	205,025
	<u>12,804,378</u>	<u>2,210,089</u>
<b>Increase in working capital</b>	<u>15,571,198</u>	<u>8,885,672</u>
<b>Changes in components of working capital</b>		
Increase (decrease) in current assets		
Cash	(4,456,292)	5,312,099
Notes and accounts receivable	(3,248,692)	4,465,961
Inventories	23,901,795	(7,535,211)
Prepaid expenses and other current assets	61,057	(4,382,561)
Net increase (decrease) in current assets	<u>16,257,868</u>	<u>(2,139,712)</u>
Increase (decrease) in current liabilities		
Bank advances	(4,303,242)	(4,903,461)
Accounts payable – trade	1,079,733	(5,087,565)
Other current liabilities	3,910,179	(1,034,358)
Net increase (decrease) in current liabilities	<u>686,670</u>	<u>(11,025,384)</u>
<b>Increase in working capital</b>	<u>15,571,198</u>	<u>8,885,672</u>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended January 1, 1977 – U.S. dollars

### 1. SUMMARY OF ACCOUNTING POLICIES

#### Consolidation

The consolidated financial statements include the accounts of Hunter Douglas N.V. and its wholly or majority owned subsidiaries whose operations are directly related to those of the Group. Investments in unconsolidated subsidiaries and 20-50% owned affiliated companies are stated at cost adjusted for the proportionate share in their results since acquisition. Investments in less than 20% owned affiliated companies are stated at cost. Significant intercompany transactions are eliminated.

#### Foreign exchange

The consolidated financial statements are expressed in U.S. dollars and have been translated from other currencies as follows: current assets and liabilities at rates of exchange at the balance sheet date; non-current assets, long-term liabilities and shareholders' equity at rates of exchange at the time of acquisition or when the debts were incurred; income and expenses, other than depreciation, at the average rates of exchange during the year.

Realized exchange gains and losses are reflected in income. Unrealized exchange gains and losses are credited or charged to retained earnings. Previously, unrealized exchange gains after deduction of unrealized exchange losses were deferred. This change in the policy of accounting for foreign exchange has no material effect on the consolidated financial statements. The 1975 balance sheet and statement of retained earnings have been restated to reflect this change.

#### Inventories

Finished goods and work in process are stated principally at the lower of average production cost or market. Raw materials are stated principally at the lower of cost (on a first-in, first-out basis) or market.

#### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation, calculated principally on a straight-line basis over the estimated useful lives of the assets. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts, and gains or losses are recognized in other expenses.

#### Intangible assets

The cost of intangible assets, including the excess of cost of investments in subsidiaries over net assets at dates of acquisition, is charged to retained earnings when acquired. The excess of net assets of subsidiaries over cost at date of acquisition is added to retained earnings.

#### Research and development

Research and development costs are expensed as incurred.

#### Pensions

The Group has several pension plans covering most employees. Prior service costs are amortized over periods up to 40 years. Pension plans are independently funded or accrued.

#### Deferred taxes

Deferred taxes reflect differences between book and tax reporting of certain items, principally depreciation, pension costs and the valuation of inventories entering into the computation of cost of sales.

#### General

Except as otherwise stated, assets and liabilities are shown at the values at which they were acquired or incurred.

### 2. INVENTORIES

	1976	1975
	\$	\$
Finished goods	49,952,876	39,924,030
Work in process	28,165,572	22,864,423
Raw materials	48,102,404	39,530,604
	<u>126,220,852</u>	<u>102,319,057</u>

### 3. LONG-TERM DEBT

	1976	1975
	\$	\$
3 <sup>1</sup> / <sub>2</sub> % to 11 <sup>7</sup> / <sub>8</sub> % unsecured loans and notes payable, maturing in various instalments through 1993	45,141,217	47,473,784
5 <sup>1</sup> / <sub>2</sub> % to 9 <sup>1</sup> / <sub>2</sub> % mortgage loans, maturing in various instalments through 1999	2,204,179	3,300,189
10% bonds (Dfl. 50 million) maturing in equal annual instalments from 1981 through 1985	19,975,000	19,975,000
	<u>67,320,396</u>	<u>70,748,973</u>

The aggregate maturities of the long-term debt for the next five years are: 1977 – \$ 6,470,842; 1978 – \$ 8,023,508; 1979 – \$ 5,921,206; 1980 – \$ 5,483,756; 1981 – \$ 10,375,818.

### 4. PROVISIONS

Include provisions for warranties of \$ 3,078,674 (1975 – \$ 3,033,673), pensions of \$ 4,794,097 (1975 – \$ 4,526,351), deferred taxes of \$ 6,164,443 (1975 – \$ 3,829,759) and other of \$ 1,039,965 (1975 – \$ 1,505,655).

### 5. CAPITAL STOCK

#### Common shares of Dfl. 1 par value each

Authorized 10,000,000 shares	Shares	\$
Issued and fully paid		
January 3, 1976	1,287,407	426,549
Converted from deferred shares		
January 9, 1976	1,677,897	627,838
Stock dividend July 12, 1976	144,311	54,906
Stock options exercised	7,500	2,830
Issued and fully paid		
January 1, 1977	<u>3,117,115</u>	<u>1,112,123</u>

#### Deferred shares of Dfl. 1 par value each

Authorized 6,000,000 shares		
Issued and fully paid		
January 3, 1976	5,451,136	1,828,941
Converted into common shares		
January 9, 1976	(1,677,897)	(627,838)
Stock dividend July 12, 1976	188,659	71,779
Issued and fully paid		
January 1, 1977	<u>3,961,898</u>	<u>1,272,882</u>
	<u>7,079,013</u>	<u>2,385,005</u>

Deferred shares are convertible into common shares at the option of the holders on a one for one basis.

Hunter Douglas Canada Limited, a subsidiary, has 104,167 Can. \$ 14 par value voting cumulative preferred shares outstanding with non-related persons. These shares are exchangeable prior to December 31, 1990 one for one into common shares of Hunter Douglas N.V. This minority interest, amounting to Can. \$ 1,451,338, is offset against the carrying value of an equal number of the Company's common shares held by another subsidiary for future exchanges of these preferred shares.

#### 6. STOCK OPTIONS TO DIRECTORS, OFFICERS AND EMPLOYEES

The following options to purchase common shares were outstanding on January 1, 1977:

Number of shares	Price per share	Exercisable before
4,150	Dfl. 32.72	January 24, 1977
1,500	Dfl. 20.20	May 30, 1977
3,500	Dfl. 20.20	May 30, 1978
1,500	Dfl. 34.00	November 28, 1978
62,750	Dfl. 22.50	January 7, 1980
38,000	Dfl. 20.20	May 30, 1980
750	Dfl. 18.45	June 20, 1980
2,000	Dfl. 17.50	October 1, 1980
16,000	Dfl. 17.80	November 24, 1980
2,000	Dfl. 24.00	January 19, 1981
28,000	Dfl. 22.40	August 26, 1981
2,500	Dfl. 25.00	October 15, 1981
107,300		

34,241 common shares were reserved for future option grants.

Also outstanding on January 1, 1977 were options to purchase 79,000 shares of an Australian subsidiary for Australian \$ 3 each, exercisable before July 26, 1977.

#### 7. ADDITIONAL PAID-IN CAPITAL

	1976	1975
	\$	\$
Beginning of year	9,290,967	9,336,658
Stock dividend		
Common shares	(54,906)	(16,879)
Deferred shares	(71,779)	(102,535)
Excess of proceeds of stock option exercises over par value	52,984	73,723
End of year	<u>9,217,266</u>	<u>9,290,967</u>

Under present Dutch practice, substantially all additional paid-in capital may be distributed as stock dividends free from Netherlands income and withholding tax.

#### 8. EXCHANGE REGULATIONS

Funds in certain countries in which the Group operates are subject to varying exchange regulations. No significant restrictions exist on transfers of a current nature, such as dividends from subsidiaries. A few countries have more severe restrictions on remittances of a capital nature.

#### 9. COMMITMENTS AND CONTINGENCIES

(a) On January 1, 1977 commitments for capital expenditures amounted to \$ 1,865,000.

(b) Through two subsidiaries Hunter Douglas N.V. has a limited minority interest in a partnership and has guaranteed repayment of their pro-rata share (approximately \$ 17,376,000 to 1992) of certain long-term financing of the partnership.

(c) Annual rentals under long-term leases expiring at varying dates to 2061 amount to \$ 1,276,000 in 1977 and decrease thereafter.

(d) Other contingencies exist in respect of discounted bills, guarantees of bank loans to unconsolidated subsidiaries and other guarantees. There are pending claims against Group companies on which no losses are expected.

#### 10. RETAINED EARNINGS

The \$ 2,608,245 credit to retained earnings due to other changes represents:

(a) \$ 2,556,327 credit for unrealized exchange gains.

(b) \$ 222,229 credit for the acquisition of additional shares in a majority owned subsidiary at less than their net asset value, due to exercise of conversion rights under long-term loans previously advanced to this subsidiary.

(c) \$ 170,311 charge for the cost of intangible assets related to a new subsidiary.

#### 11. OTHER EXPENSES

Include principally interest on long-term debt of \$ 6,922,767 (1975 - \$ 6,875,813), interest on short-term debt of \$ 4,674,748 (1975 - \$ 6,515,977), interest income of \$ 1,656,557 (1975 - \$ 2,252,494) and realized net foreign exchange gains of \$ 463,613 (1975 - loss \$ 18,391).

#### 12. COMPENSATION

Total salaries, wages and social charges amounted to \$ 83,775,000 (1975 - \$ 87,924,000), which includes pension expense of \$ 2,179,000 (1975 - \$ 2,607,000).



**To the Shareholders of Hunter Douglas N.V.**

We have examined the consolidated balance sheet of Hunter Douglas N.V. and subsidiaries as at January 1, 1977 and the related consolidated statements of income, retained earnings and changes in financial position for the year ended January 1, 1977.

In our opinion, the aforementioned consolidated financial statements present fairly the financial position of Hunter Douglas N.V. and subsidiaries at January 1, 1977 and the results of their operations and changes in financial position for the year then ended.

Rotterdam, March 31, 1977

Coopers & Lybrand Nederland, Accountants

**TRUSTEE'S REPORT**

**To the Holders of 10% Bonds in the 1975 Face Value Dfl. 50.000.000 Loan to Hunter Douglas N.V., Organized as a Corporation under the Laws of the Netherlands Antilles.**

In accordance with the trust-deed for the above bond issue the undersigned hereby reports on its activities concerning the fiscal year ended on January 1, 1977.

1. Payment of interest on the bonds during the period under review took place in conformity with the prescriptions of the trust-deed of November 26, 1974.
2. The debtor has confirmed to the Trustee by letter dated February 25, 1977 that during the period under review it has not violated article 13 of the trust-deed and furthermore that no other circumstances meant in article 13 of the trust-deed have arisen.

3. The Kassas Trust B.V. was appointed as the institution charged with maintaining the exchange depot provided for in Article 1, paragraph 3, of the trust-deed.

4. Since compulsory redemptions will start only on January 15, 1981, and early redemptions pursuant to Article 3, paragraph 5, of the trust-deed did not take place, the outstanding amount as per January 1, 1977 remained unchanged Dfl. 50.000.000.

Amsterdam, March 3, 1977

NEDERLANDSCHE TRUST-MAATSCHAPPIJ B.V.

(signed) Dr. H.H. Scholten      (signed) G. Hooijschuur

**BOARD OF DIRECTORS****OFFICERS****GENERAL DATA**

On March 31, 1977

**Board of Directors**

H. Sonnenberg, London, England, Chairman of the Board, Hunter Douglas N.V.

J.H. Coleman, Toronto, Canada, Director, Deputy Chairman (retired), The Royal Bank of Canada

F.B. Craig, Wassenaar, Netherlands, Executive Vice President, Hunter Douglas N.V.

Dr. E.L. Joubert, Willemstad, Curaçao, Notary

Prof. Dr. C.F. Karsten, Laren, Netherlands, Managing Director, Amsterdam-Rotterdam Bank N.V.

M.O.L. Lynton, Wassenaar, Netherlands, Vice President, Hunter Douglas N.V.

A.C. Pond, Longueville, Australia, Deputy Chairman, Hunter Douglas Limited (Australia)

R. Sonnenberg, Wassenaar, Netherlands, President and Chief Executive Officer, Hunter Douglas N.V.

I. Suchoversky, Geneva, Switzerland, Area General Manager-Europe, Alcan Aluminium (Europe) S.A.

E.A. Trigg, Montreal, Canada, Director and Executive Vice President, Alcan Aluminium Limited

**Officers**

R. Sonnenberg\*, Wassenaar, Netherlands

President and Chief Executive Officer

F.B. Craig\*, Wassenaar, Netherlands

Executive Vice President

J.L. Bruhl, 's-Gravenhage, Netherlands

Vice President and Treasurer

H.G. Hamburger, Brisbane, Australia

Vice President-Australasian Operations

Y.J. Heesterbeek, 's-Gravenhage, Netherlands

Vice President-European Operations

J.A. Kay, Montreal, Canada

Vice President-North American Operations

M.O.L. Lynton\*, Wassenaar, Netherlands

Vice President, Corporate Relations

G. Orechkoff, 's-Gravenhage, Netherlands

Vice President and General Counsel

E. Lissone, Middelharnis, Netherlands

Secretary

\* Is also member of Board of Directors

**General data**

Principal administrative office:

Piekstraat 2, Rotterdam, Netherlands.

Registered office:

De Ruyterkade 58a, Willemstad, Curaçao.

Organized as a corporation under the laws of:

Netherlands Antilles.

Registered with the Chamber of Commerce:

Rotterdam (Nr. 117994) and Curaçao.

Shares quoted on stock exchanges of:

Amsterdam, Netherlands and Toronto, Canada.

Depository and dividend disbursement agents

Amsterdam-Rotterdam Bank NV, Amsterdam,

for common shares in bearer form:

The Hague, Rotterdam - Netherlands;  
Pierson, Heldring & Pierson, Amsterdam, The Hague,  
Rotterdam - Netherlands,

Société Générale de Banque SA Brussels - Belgium;

Société Générale, Paris - France;

Deutsche Bank AG., Frankfurt - Germany;

Schweizerischer Bankverein, Basel - Switzerland.

Registrar, transfer agent and depository for

Montreal Trust Company, Montreal, Toronto,

common shares in name form issued on

Calgary, Regina, St. John, Vancouver, Winnipeg -

Canadian registers:

Canada.



Operating companies of the

# Hunter Douglas Group

Unless otherwise stated, the Group interest in the companies listed below is greater than 95%. Some branch offices and a number of companies, which, in the aggregate, account for less than 15% of the total book value of the Group's assets, are not included.

## **Australia**

Hunter Douglas Limited, Sydney (64%)  
Adelaide-Melbourne-Newcastle  
Brisbane-Cairns-Hobart-Perth-Townsville

## **Austria**

Hunter Douglas, Vienna

## **Belgium**

Hunter Douglas Belgium N.V.,  
Genk-Brussels  
Hunter Douglas Packaging, Genk  
HD-EKCO N.V., Genk (50%)

## **Brazil**

Hunter Douglas do Brasil S.A., Sao Paulo  
Wotan Macquiñas Operatrizes Ltda., Porto Alegre

## **Canada**

Hunter Douglas Canada Limited, Montreal  
Dartmouth-Edmonton-Hamilton-Kitchener-  
London-Quebec City-Toronto  
Hunter Douglas Building Materials, Montreal  
Kitchener-North Bay-Quebec City-Toronto  
Hunter Douglas Architectural Products, Montreal  
Edmonton-Toronto-Vancouver  
Hunter Douglas Export, Montreal  
Home Development Corporation, Montreal

## **Chile**

Industrias Metalicas Chile S.A., Santiago (50%)

## **Colombia**

Hunter Douglas S.A., Bogotá

## **France**

Hunter Douglas s.a.r.l., Paris

## **Germany**

Hunter Douglas G.m.b.H., Düsseldorf  
Favorit Türenwerke G.m.b.H. & Co. K.G. (50%)  
Krefeld-Castrup/Rauxel-Mühlheim  
Rodiac G.m.b.H., Düsseldorf  
Wewag Westdeutsche Werkzeugmaschinen G.m.b.H.,  
Düsseldorf/Langenfeld-Bremen  
Wotan-Werke G.m.b.H., Düsseldorf

## **Italy**

Promes S.R.L., Milan

## **Japan**

Nippon Hunter Douglas K.K., Yokohama (54%)

## **Malaysia**

Austasia Industries (Malaysia) Sdn Berhad,  
Kuala Lumpur (64%)

## **The Netherlands**

Hunter Douglas N.V., Rotterdam  
Hunter Douglas Europe B.V.,  
Rotterdam-Leek-Oudenbosch  
Laagland, Rotterdam  
Nederlandse Gereedschappenfabriek N.G.F. B.V.,  
Hoogeveen  
Nederlandse Aluminium Maatschappij Nedal B.V.,  
Utrecht  
Rodiac v.o.f., Leek, Rotterdam  
Walker International B.V., Deurne-Harkema

## **Netherlands Antilles**

Hunter Douglas International N.V., Curaçao

## **New Zealand**

Hunter Douglas Limited, Auckland (64%)

## **Singapore**

Austasia Industries (Pte.) Limited, Singapore (64%)

## **South Africa**

Hunter Douglas South Africa, Johannesburg

## **Spain**

Hunter Douglas (Espana) S.A., Barcelona

## **Sweden**

Hunter Douglas (Scandinavia) A.B.,  
Goteborg-Stockholm

## **Switzerland**

Hunter Douglas Enterprise A.S., Lugano  
Promesa A.G., Lucerne

## **United Kingdom**

Hunter Douglas Limited, Walton-on-Thames  
Soag Machinery Limited, Brentford

## **U.S.A.**

Hunter Douglas Inc., Totowa, N.J.  
Flexalum, Totowa, N.J.  
Crown Aluminum, Roxboro, N.C.  
Hunter Douglas Machinery Corp., Totowa, N.J.

**Manufacturing Operations**

**Distribution Operations**



